

Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

MISCARRIAGE OF JUSTICE IN MEXICO

Mr. LEAHY. Mr. President, as one Member of Congress who believes that we have a strong interest in broadcasting and strengthening our relations with Mexico, I was appalled to read a recent Washington Post article entitled "Three Americans Jailed in Bizarre Mexican Land Dispute."

Mexico is a country of 100 million people. We share a border. We share a wide range of cultural, economic, political, and other interests. Yet our history has been a troubled one, and the election of Vicente Fox offered an historic opportunity to begin to build a new relationship based on trust, mutual understanding, and shared goals.

Regrettably, President Bush, who shortly after his inauguration spoke convincingly of his intention to give a high priority to U.S.-Mexican relations, has failed to turn those words into action. Little has been accomplished. I am afraid that once again, the hopes and aspirations of both Mexicans and Americans will be for naught.

The President needs to recognize that as important as the Middle East and the Persian Gulf are to U.S. and global security, we have vital interests right here in our own hemisphere. I remember how during the 1980s we spent billions of dollars to wage proxy wars in Central America. Yet when those wars were over, we turned our back. Today, with the exception of our counter-drug programs in the Andes, which as we have seen recently in Bolivia are of dubious merit, we spend a pittance to support economic and political development in these countries the majority of whose people remain impoverished and without meaningful political or legal rights. Our policy is short sighted and it will cost us in the long run.

Of all countries in the hemisphere, none is more important to U.S. interests than Mexico. It would be difficult to think of any issue—immigration, tourism, trade, infectious disease, water security, environmental pollution, democracy and the rule of law, organized crime—that does not cry out for broader cooperation. I hope President Bush, and his capable new Assistant Secretary of State for Western Hemisphere Affairs, Roger Noriega, will give renewed attention to these issues during the remaining years of President Fox's term.

I mention this because earlier this year, I sponsored, with Senator REID, Senator DASCHLE and others, an amendment which authorized \$100 million to be spent in Mexico to promote micro credit programs, small business entrepreneurship, private property ownership, and support for small farm-

ers who have been affected by adverse economic conditions. I felt it was important to make a strong statement, through legislation, that we need to devote significant resources to help address these problems. Our amendment was adopted, and it is my hope that we can include a portion of those funds for Mexico in the fiscal year 2004 Foreign Operations Act.

But my support for providing those funds will depend on whether the case which is the subject of the Washington Post article I mentioned is satisfactorily resolved. The three Americans who have been arrested are the victims of an absurd miscarriage of justice. Fortunately, according to the article, the American Embassy in Mexico is following the case closely, and recognizes that these three people have done nothing wrong. To the contrary, they have generously cared for an ailing, elderly American, Russell Ames, who lost his wife Jean Ames three years ago. Jean Ames was a wonderful woman, and her death was a great blow to Russell Ames. Ames, already in his late eighties at the time of his wife's death, would never have been able to continue to live in his home in a small village near Oaxaca, Mexico, without the around-the-clock care of Mary Ellen Sanger and the other Americans who lived on the property.

My office has conveyed my concern about the unlawful arrests and detentions of these three Americans to the Mexican Embassy in Washington. These people should be immediately released and the cases against them dismissed. And, just as important, President Fox, who has repeatedly said that his presidency stands for the rule of law, should determine whether the Mexican official who is responsible for this travesty should be removed from his position.

I ask unanimous consent to print the aforementioned article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 18, 2003]

THREE AMERICANS JAILED IN BIZARRE MEXICAN LAND DISPUTE

CARETAKERS OF MAN, 91, HELD IN STANDOFF INVOLVING A MEMBER OF PRESIDENT FOX'S CABINET

(By Kevin Sullivan)

OAXACA, Mexico—Three U.S. citizens, including a man dying of cancer, have been jailed here and face up to 14 years in prison in a land dispute involving a member of President Vicente Fox's cabinet.

The Americans, two men and a woman, are long-term friends and caretakers for a former U.S. college professor, Russell Ames, 91, who has lived in Oaxaca since 1959. Ames and his late wife sold their land to the University of the Americas in Mexico City in 1988 in exchange for lifetime rights to remain on the property. But now the university, whose president, Alejandro Gertz Manero, is on leave serving as Fox's minister of public security, is trying to force Ames off the land.

A municipal judge and a squad of state police officers arrived at Ames's property on Friday in an attempt to evict him. Neighbors said about 60 people who live in a nearby vil-

lage, including the mayor and police chief, came to support Ames, blocking his removal.

Ames said that arresting his three friends on charges of trying to take over the land for themselves was a "ridiculous" attempt to intimidate him into leaving.

"These three Americans are innocent bystanders and the embassy feels what has happened to them is an outrage," said Laura Clerici, consul general at the U.S. Embassy in Mexico City, which has sent officials to monitor the case.

U.S. Ambassador Tony Garza has complained about the case to Gertz, who is also a university trustee. Gertz said the arrests were legal and that he has not improperly used his influence in the case.

The case is one of a number of land disputes involving Americans who live or own property in Mexico. Earlier this year an American couple was forced off land they owned in the southern state of Chiapas by local residents wielding machetes. Three years ago scores of U.S. citizens lost millions of dollars in investments when they were evicted from oceanfront homes they bought in Ensenada in the western state of Baja, California. U.S. officials at the time blamed the losses on a lack of consistency and transparency in Mexican property laws. At least half a dozen more major disputes are pending over property owned by Americans along the Caribbean coast.

"We are being held hostage," Mary Ellen Sanger, one of the three jailed Americans, said in an interview in a state prison here. Sanger, 45, a native of Schenectady, N.Y., said she had been assigned latrine-cleaning duty in the prison and slept on a concrete floor with 44 other women in a communal cell.

Sanger has been a caretaker, feeding, dressing and walking with Ames for almost three years. Joseph Simpson, widower who is about 72 and suffering from late-stage terminal throat cancer, has been a caretaker on the property for more than a decade. He is now under police guard at a Oaxaca hospital, where U.S. Embassy officials who visited him said he was in grave condition. John Barbato, 58, from Nevada City, Calif., a poet and artist who has known Ames since 1985, rents a small house on the property and is in prison with Sanger.

Despite their longstanding ties to Ames and the property, the three were arrested on Oct. 6 and charged with violently taking possession of the land on May 1. U.S. officials said the arrest warrant claimed the three Americans moved onto the property that day in a conspiracy to take the land for themselves, charges that carry a penalty of three to 14 years in prison.

"That's the stupidest thing I've ever heard," said Ames, who was being fed dinner and ice cream by Sanger when a squad of police arrived at his house to make the arrests. "They took care of me for several years. I felt enormously lucky to be taken care of by them. Most people my age don't have anybody, or are just miserable."

The underlying issue behind the arrests is the dispute over the land where Ames lives, a parcel worth an estimated \$250,000 in one of Mexico's most popular tourist destinations.

Ames said the sale of his land to the university was part of a charitable donation. Records show that the property was in the name of his wife, Jean Ames, who transferred ownership to the university for \$60,000, half of its assessed value at the time. Ames said he and his wife never received that money; the listed purchase price was simply a legal formality for tax purposes. In return, Ames said the university agreed to allow him and his wife to live on the land for the rest of their lives, and to pay them up to \$4,000 a year.

Gertz, who became president of the university in 1995, said in an interview that the land deal was made with Jean Ames only. The notarized sale agreement specifies that only she would have lifetime rights to the land. But numerous letters contained in Ames' files show that his wife intended that both of them be allowed to live out their lives there.

"If he's saying that I have no rights here at all, that's ridiculous," Ames said. "We were dealing with splendid people at the university back then. And they made a provision for me that I could live here for the rest of my life."

Ames and his wife lived together on the land until Jean Ames died in 2000 at age 92. Then, in May of this year, Ames was served with an eviction notice by the university, giving him nine days to vacate the property and ordering him to pay nearly \$40,000 in back rent—\$1,000 a month since the death of his wife. Ames said he was stunned and angry. He hired a lawyer and filed a civil suit against the university, saying he no longer wanted it to have his land. That case is pending.

Gertz said that following the death of Jean Ames, Russell Ames should have sent the university a letter asking permission to remain on the property. However, despite the eviction notice, Gertz said Ames would "of course" be allowed to stay on the property until he dies if he seeks university permission now.

Gertz said Sanger, Simpson and Barbato never asked the university's permission to live on the land, so they were trespassing and deserved to be arrested. But Ames said he believes the three Americans were jailed on trumped-up charges to intimidate him into leaving his property and dropping his civil suit.

"I hope this is a big bluff, but I'm scared," Barbato said.

MAKING AMERICA STRONGER

Mr. LIEBERMAN. Mr. President, in September I issued a major report on restoring U.S. manufacturing. I commend this report to my colleagues. It can be found at www.Lieberman.Senate.gov.

The collapse of our manufacturing sector is heart breaking. We have lost 14,00 manufacturing jobs in the last 3 months and 2.8 million since July of 2000. And this is during what is supposed to be an economic recovery. In terms of jobs, the U.S. manufacturing sector has slipped every month for the last 38 months. In my own State of Connecticut we have lost more than 14 out of every 100 manufacturing jobs in the past 3 years, and it is cold comfort that we are not the worst.

Our manufacturing sector is hemorrhaging jobs at a dismaying rate. And not just jobs but industries. Economists at the Federal Reserve Bank of New York recently published an analysis of the current "jobless recovery." Their conclusion is stark:

"Our inquiry into the reasons for the current labor market slump suggests that structural change has played an important role. Industries that lost jobs during the recession have continued to shrink during the recovery, and permanent job losses have eclipsed temporary layoffs."—"Has Structural Change Contributed to a Jobless Recovery?" (Erica L. Groshen and Simon Potter)

As the report highlights, there are many reasons behind these closed

plants, these lost jobs, these devastated families. Fierce competition from overseas competitors—some of them playing on fields tilted distinctly in their favor—has played a major role. So did the severe recessions we are only now climbing out of. The collapse of the telecom industry had severe consequences for manufacturers that served the electronics and information technology industries. This report discusses a number of challenges and problems facing American industry.

But the most imperative question remains, "What does the Bush administration intend to do about it?" Its recent acknowledgment of foreign currency manipulation of their currencies is welcome, but the Administration is not utilizing its current authority to remedy this abuse; this is the key point of my legislation, S. 1592, the Fair Currency Enforcement Act of 2003, discussed in depth in this report. Creating an Assistant Secretary for Manufacturing and Office of Industry Analysis simply rearranges existing boxes, and submerges them deep in the Commerce Department. This report recommends making the Commerce and Defense Secretaries themselves responsible. Their plan remains lacking in content and vision. It is all about gestures, not actions.

Forgive me, but the time has come to be blunt. Every sector of the American economy plays a role in the strength and security of our nation, but the role played by manufacturing is unique, and uniquely important. To do nothing, to roll over and play dead, is not the American way. Sadly, it seems to be the approach favored by the current Administration.

The problems we face are complex, the response needs to be thorough, broad-based, and coordinated. That is what this report is really about. Here we present the broadest, most comprehensive and insightful plan to revitalize U.S. manufacturing yet proposed.

We need to understand that trade is not the problem, it is part of the solution. And we need to deal with the obstacles raised in some countries to a free and fair trade in American goods. We need to invest in the future of manufacturing, in the research and development of new, path-breaking manufacturing processes. We need to invest in our workforce, in the training and education needed to excel and prosper in a world labor market. We need to reinvigorate partnerships between state and Federal Government, and between government and industry.

Indeed, this is not a task for government alone. The proposals outlined in this report call upon industry and academia, upon labor and management, upon the private and public sectors to contribute to the solutions we need.

It will require all of us, pulling together.

I want to thank Michael Baum, along with William Bonvillian and Chuck Ludlam of my staff, for their efforts in

preparing what I believe will be a useful and timely report.

AUDITOR INDEPENDENCE AND TAX SHELTERS ACT

Mr. BAUCUS. Mr. President, I rise today in support of Senator LEVIN's bill, S. 1767, the Auditor Independence and Tax Shelters Act. I am pleased to be an original cosponsor. The Auditor Independence and Tax Shelters Act compliments the legislation that I introduced last year, the Tax Shelter Transparency Act.

Just this year, the Tax Shelter Transparency Act has been passed by the Senate Finance Committee four times—in the Energy bill, the CARE Act, the Jobs and Growth bill, and most recently as part of the Jumpstart Our Business Strength Act. The same legislation has passed the full Senate three times—in the Energy bill, the CARE Act, and in the Jobs and Growth bill.

Senator LEVIN's legislation shuts down tax shelter promotion from the audit and financial statement side of the equation. Specifically, S. 1767 would strengthen auditor independence by prohibiting them from providing tax shelter services to their audit clients. The legislation would also reduce potential auditor conflicts of interest by codifying four auditor independence principles to guide the audit committees of the Board of Directors of a publicly traded company, when that committee is required by the Sarbanes-Oxley Act to decide whether the company may provide certain non-audit services to the corporation.

The proliferation of abusive tax shelters has been referred to as our nation's most significant tax compliance problem. The development, selling, and buying of tax shelters has also been characterized as a "race to the bottom." The New York State Bar Association said "the constant promotion of these frequently artificial transactions breeds significant disrespect for the tax system, encouraging responsible corporate taxpayers to expect this type of activity to be the norm, and to follow the lead of other taxpayers who have engaged in tax advantaged transactions."

Simply put, this is unacceptable. It has been 2 years since the collapse of Enron. The Sarbanes-Oxley Act took significant steps to restore confidence in corporate America. But, when it comes to ensuring auditor independence, Sarbanes-Oxley did not go far enough. The passage of the Auditor Independence and Tax Shelters Act will help ensure that last year's corporate reform efforts have their intended effect of restoring real independence to the "independent audit."

This morning, the Senate Finance Committee held a hearing on tax shelters. We learned that the tax shelter problem is widespread. Tax shelter schemes are not just an Enron and Arthur Andersen phenomenon. They are